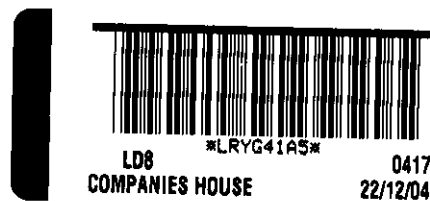


Nitto World Co., Limited

Report and Financial Statements

31 December 2003

224300



Nitto World Co., Limited

Registered No: 2124389

Directors

T W Darnall

M P Wale

R L Scott

Secretary

J Grime

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

Sheraton Skyline Hotel

Bath Road

Hayes

Middlesex UB3 5BP

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditors report for the year ended 31 December 2003.

Results and dividends

The company did not trade during the year. Consequently no profit and loss account is presented.

Principal activity and review of the business

On 23 December 1997 the entire share capital of the company was purchased by SLC Turnberry Limited. On 30 December 1997 the trade and assets of the company were transferred to SLC Turnberry Limited. The company has not traded since that date.

Directors and their interests

The directors who served during the year were as listed on page 1.

There are no directors' interests in the shares of the company which are required to be disclosed under schedule 7 of the Companies Act 1985.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



J Grime
Secretary

22 December 2004

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Nitto World Co., Limited

We have audited the company's financial statements for the year ended 31 December 2003 which comprise Balance Sheet, and the related notes 1 to 6. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Nitto World Co., Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read "Ernst & Young LLP", is written over the printed name.

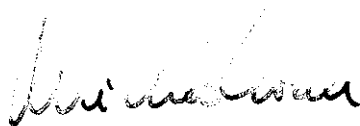
Ernst & Young LLP
Registered Auditor
London

22 December 2004

Balance sheet

at 31 December 2003

	Notes	2003 £	2002 £
Current assets			
Debtors: amounts falling due within one year	3	4,101,473	4,101,473
Net assets		<u>4,101,473</u>	<u>4,101,473</u>
Capital and reserves			
Called up share capital	4	8,900,000	8,900,000
Share premium account	5	9,757,890	9,757,890
Profit and loss account	5	(14,556,417)	(14,556,417)
		<u>4,101,473</u>	<u>4,101,473</u>



M P Wale
Director

22 December 2004

Notes to the financial statements

at 31 December 2003

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The company did not trade during the current or prior year and consequently no profit and loss account is presented.

Statement of cash flows

The company has taken advantage of the exemption afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Starwood Hotels & Resorts Inc. which prepares consolidated financial statements which are publicly available. On this basis the company is exempt from the requirement of FRS 1 to present a statement of cash flows.

Related party transactions

As a subsidiary of Starwood Hotels & Resorts Worldwide Inc., the company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the group headed by Starwood Hotels & Resorts Worldwide Inc.

2. Staff costs and numbers

The directors were the only employees of the company during the year and the preceding year. In both years the directors remuneration was borne by a fellow group undertaking.

3. Debtors: amounts falling due within one year

	2003 £	2002 £
Amounts due from other group undertakings	4,101,473	4,101,473

4. Share capital

	2003 £	2002 £
<i>Authorised</i>		
96,800 Ordinary shares of £100 each	9,680,000	9,680,000
<i>Allotted, called up and fully paid</i>		
89,000 Ordinary shares of £100 each	8,900,000	8,900,000

Notes to the financial statements

at 31 December 2003

5. Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	2003 £	2002 £
<i>Non-distributable</i>		
– profit and loss account	(14,556,417)	(14,556,417)
– share premium account	9,757,890	9,757,890
	<u>(4,798,527)</u>	<u>(4,798,527)</u>

6. Ultimate holding company

The immediate parent company is SLC Turnberry Limited, a company incorporated in Scotland.

The smallest and largest group in which the results of Nitto World Co., Limited are consolidated is Starwood Hotels & Resorts Worldwide Inc. Copies of the financial statements of this group are available to the public at 1111 Westchester Avenue, White Plains, New York, NY 10604, USA.